

5) 2016/17 Budget monitoring (Provisional Quarter 3)

Author : Catherine Peters
Position : Head of Finance

Introduction

This report shows the provisional quarter three position which will be reported as part of the Quarter three Budget and Performance Monitoring report 2016/17 to the Performance and Contract Management Committee on 27th February 2017. It is presented to Schools Forum to note.

2016/17 Schools budget

There are no budget changes since reporting to the Schools Forum on 8th December 2016:

2016/17 Schools budget monitoring

The third quarter provisional monitoring position, as at December 2016, forecasts an overspend of £247k. If there is an actual overspend in-year, this will be the first call on the carried forward balances from previous years.

Details of the variations are contained in Appendix 1.

The main over and underspends are as follows:

S251 Line reference	Main reasons for over/underspend	£'000
1.0.1	Mainly due to special 6 th form places not funded by the EFA and NDR adjustments offset by a reduction in projected expenditure for 3&4 year olds and Oak Lodge conversion to Academy status	140
1.1.1	No call on contingency anticipated	(147)
1.2.1, 1.2.2 & 1.2.3	This is the net position relating to top up funding for high needs in <ul style="list-style-type: none">• maintained provider schools (nursery, primary and secondary) including those who are out of borough.• academy and free schools and additional funding for high needs pupils in Academy ARPs and• independent and non-maintained special schools, pre and post 16 <p>The underspend takes account of revised data for the autumn term and is based on current known data. It also reflects the reduction in the net movement of Out of Borough provision</p>	(573)
1.2.11	Increase in the number of personal travel budgets via direct payments for SEN & Disability	50
1.3.1	Early Years Vulnerable families lower than estimated	(44)

1.4.10	Growth – Additional bulge classes	163
1.7.2	Reduction in funding following Oak Lodge Conversion (high needs and post 16 recoupment)	666

Figures in brackets denotes an underspend

There is a net reduction in the projected overspend reported in quarter 2 of £185k. This is mainly due to:

- Reduction in early years funding based on autumn term data, reduction in HN place funding following Oak Lodge conversion offset by increases relating to NDR corrections. (£-479k)
- Reduction in residential special school costs due to tri-partite agreements and revised forecasts for private independent and OOB sectors based on current known data, offset by increases in the use of independent and non-maintained day schools to meet the demand of Education, Care and Health Plans. (-£451k)
- Direct Payments relating to the increase in the number of personal travel budgets for SEN and Disability (+£50k)
- Increased expenditure for early years vulnerable families following the review and change in the eligibility criteria (-£111k)
- Reduced income following adjustments to the DSG mainly for Oak Lodge conversion (+£458k)
- Revised allocation for Oak Lodge post 16 recoupment (+£125k)

2016/17 DSG Reserve position

The estimated position on the DSG reserve is shown below:

DSG Reserve	2016/17
Balance brought forward	5,019,442
Projected drawdown from reserve	(1,342,390)
Estimated drawdown to cover overspend	(246,679)
<i>Estimated Balance to be carried forward</i>	3,430,373

Recommendation:

1. To note the provisional quarter three monitoring position for 2016/17 and agree to receive further budget monitoring reports at future meetings.

Previous reports to the Forum:

- 11 October 2016 noted the 2015/16 outturn and quarter 1 budget adjustments and monitoring position

- 8 December 2016 agreed revisions to the 2016/17 budget and noted the quarter 2 budget monitoring position